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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 05.09.2006

CORAM:

THE HONOURABLE MR.JUSTICE P.K.MISRA

AND

THE HONOURABLE MR.JUSTICE M.JAICHANDREN

O.S.A.Nos. 35,85,86,143 of 2001
and
C.M.P.Nos.2373, 5258 and 5259 of 2001

1. Rajamani Fabrics
2. Swathi Textiles
Both at L/103, Ambedkar St[West] Surampatti, Erode 9.
Appellants in all the appeals

Vs.

Mothi Textiles
K.M.Mahaveer Chand,
27, North Idaiyar Street,
Mylapore Chennai 4
and also at 194, Gandhi Road,
Surampatti, Erode by its Partner,
K.M.Shanmugasundaram.
Respondent in all the appeals

For appellants : Mr.T.V.Ramanujam,
Senior Counsel
for Mr.M.Duraiswamy in all the OSAs
For respondent : Mr.A.A.Mohan in all the OSAs

Original Side Appeal No.35 of 2001 has been filed under Order XXXVI Rule 11 of Original Side Rules, 1956 read with Clause 15 of Letters Patent against the Order and decretal order of the learned single Judge, dated 22.01.2001, passed in application No.719 of 2000, in C.S.No.581 of 2000. Original application No.719 of 2000, had been filed by the plaintiff in the suit and the respondent in the present appeal praying for an order of ad-interim injunction restraining the respondents therein and others from infringing the appellant's registered Trade Mark of 'MOTHI LABEL' by use of trade mark 'MOTI LABEL' or any label similar to the applicant's registered trade mark 'MOTHI LABEL' pending disposal of the suit.

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Original Side Appeal No.85 of 2001 has been filed under Order XXXVI Rule 11 of Original Side Rules, 1956 read with Clause 15 of Letters Patent against the Order and decretal order of the learned singe Judge, dated 22.01.2001, passed in application No.720 of 2000 in C.S.No.581 of 2000. Original Application No.720 of 2000, had been filed praying for an ad-interim injunction restraining the respondents therein and others from in any manner passing off or enabling others to pass off the respondent's towels as and for the applicant's towels by use of the trade mark 'MOTI LABEL' or any label similar to the applicant's 'MOTHI LABEL' in colour, get up and layout or in any other manner.

Original Side Appeal No. 86 of 2001 has been filed under Order XXXVI Rule 11 of Original Side Rules, 1956 read with Clause 15 of Letters Patent against the Order and decretal order of the learned single Judge, dated 22.01.2001, passed in Application No.721 of 2000 in C.S.No.581 of 2000. Original Application No.721 of 2000 had been filed praying for an ad-interim injunction restraining the respondents therein and others from in any manner infringing the applicant's registered Copyright by use of 'MOTI LABEL' 'MOTI SCRIPT' which are substantial reproduction of applicant's registered Artistic Works 'MOTHI LABEL' and 'MOTHI SCRIPT.'

Original Side Appeal No.143 of 2001 has been filed under Order XXXVI Rule 11 of Original Side Rules, 1956 read with Clause 15 of Letters Patent against the order and decretal order of the learned Single Judge, dated 22.01.2001, passed in Application No.4484 of 2000 in C.S.No.581 of 2000. Original Application No.4484 of 2000 had been filed praying to revoke the leave granted in Application No.3114 of 2000, dated 01.08.2000.

C O M M O N J U D G M E N T

M.JAICHANDREN.J,

Heard the learned counsel appearing for the appellants as well as the respondent. By consent of the counsels appearing for the appellants as well as for the respondent, all the appeals have been taken up together for hearing and a common judgment is passed.

2. The respondent herein had filed C.S.No.581 of 2000 before this Court under Order IV, Rule 1 of the Original Side Rules read with Sections 27,28,29,105 and 106 of the Trade Merchandise Marks Act,1958 and Sections 27,28,29,134 and 135 of Trade Marks Act,1999, read with Sections 51,58,62 and 63 of Copy Right Act, 1957, praying for the grant of a Judgment and decree on the following terms:-

> "a) A perpetual order and injunction restraining the defendants by themselves, their partners, heirs, legal representatives, successors-in-business, assigns, servants, agents, distributors, stockists, representatives or any of them in any manner infringing the plaintiff's registered Trade Mark MOTHI LABEL by use of Trade Mark MOTI LABEL or any label similar to plaintiff's registered Trade Mark MOTHI LABEL.

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b) Granting a perpetual order and injunction restraining the defendants by themselves, their partners, heirs, legal representatives, successors-in-business, assigns, servants, agents, distributors, stockists, representatives or any of them from in any manner passing off or enabling others to pass off the defendants towels as and for the plaintiff's towels by use of the Trade Mark MOTI LABEL or any label similar to plaintiff's MOTHI LABEL in colour scheme, get up and layout or in any other manner whatsoever.

c) a permanent injunction restraining the defendants, by themselves, their partners, heirs, legal representatives, successors-in-business, assigns, servants, agents, distributors, stockists, representatives or any of them from and in any manner infringing the plaintiff's registered Copyright by use of MOTI LABEL, MOTI SCRIPT which are substantial reproduction of plaintiff's registered Artistic Works MOTHI LABEL and MOTHI SCRIPT.

d) The defendants be ordered to surrender to plaintiff for destruction all towels, cartons, labels, prints, blocks, dyes, plates, moulds and other material bearing MOTI LABEL or any label similar to the plaintiff's registered Trade Mark and registered Artistic Work MOTHI LABEL or any label mark similar to plaintiff's MOTHI LABEL in getup and layout.

e) A preliminary decree in favour of the plaintiff directing the defendants to render account of profits made by use of Trade Mark MOTI LABEL or any label which is similar to plaintiff's registered Trade Mark and Artistic Work MOTHI LABEL and a final decree be passed in favour of the plaintiff for the amount of profits thus found to have been made by the defendants after the latter has rendered accounts.

f) for costs of the suit.

g) pass such further or other orders as this Hon'ble Court may deem fit and necessary in the circumstances of the case."

4. It is the case of the plaintiff Mothi Textiles, the respondent in the present appeals that the defendants, namely, Rajamani Fabrics and Swathi Textiles who are the appellants in the present appeals are manufacturing and selling towels bearing the Trade Mark MOTI. The plaintiff is carrying on the business of manufacturing and marketing of towels all over India from the year 1971. The plaintiff is the registered proprietor of the Trade Mark MOTHI TOWEL LABEL registered under No.454606, dated 26th May, 1986, in clause 24 in respect of "handloom towels and napkins". The registration had been renewed upto 26th May,2000. It has been further stated that the plaintiff is also the proprietor of Artistic Work 'MOTHI TOWELS LABEL' registered under the Copyright Act,1957. The plaintiff is also the proprietor of the Artistic Work MOTHI in SCRIPT registered under the Copyright Act,1957. The plaintiff had furnished the sales figures for the period 1991 - 1992 to 1997-1998. The plaintiff had also given figures of advertisement and sales promotion of

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the plaintiff's towels sold under the Trade Mark 'MOTHI LABEL' during the period 1991-1992 to 1996-1997. It has also been stated by the plaintiff that by virtue of long, extensive and continuous use, the plaintiff's Trade Mark 'MOTHI LABEL' enjoys great reputation and goodwill. The Trade Mark 'MOTHI LABEL' is identified by the trade and by the public with the plaintiff's towels.

5. It was further stated in the plaint that the plaintiff had filed a suit for infringement of Trade Mark and for damages against Shri Krishna Textiles and Shri Mathi Tex of Erode before this court in C.S.No.327 of 1987. By an order, dated 5th September,1990, this Court had granted a permanent injunction restraining the defendants in the said suit, viz.,Shri Krishna Textiles and Shri Mathi Tex from using the Trade Mark 'MATHI TEX' as it was similar to the plaintiff's Trade Mark MOTHI TEX. This Court had further directed the defendants in the said suit to render account of profits and to pay the plaintiff a sum of rupess one lakh as damages and had also awarded costs. No appeal had been filed against the said order and therefore, it had become final. The plaintiff had filed a suit for infringement of Trade Mark, Copyright and damages against Sri Prem Mills and K.P.Sarathi of Erode in C.S.No.602 of 1998. The plaintiff had filed a suit for infringement of Trade Mark, Copyright and Passing off against Moti Textiles and Ashwini Tex of Erode, in C.S.No.601 of 1998 and orders of ad-interim injunction had been granted restraining the defendants in both the suits from infringing the plaintiff's Trade Mark MOTHI. When the plaintiff came to know that the defendants were manufacturing and selling towels under an identical Trade Mark MOTI LABEL, eventhough the plaintiff had been selling towels under the Trade mark and Artistic Work since the year 1971, the suit C.S.No.581 of 2000 was filed.

6. It is further stated that an ordinary purchaser cannot make out any difference between the plaintiff's and the defendant's label, since 'MOTI LABEL' is almost identical to the plaintiff's registered Trade Mark 'MOTHI LABEL'. The defendants' Trade Mark 'MOTI' is phonetically and visually identical to the plaintiff's Trade Mark 'MOTHI'. The defendants have made a slavish imitation of the plaintiff's registered Trade Mark 'MOTHI LABEL' and thereby, the defendants have infringed the statutory rights vested in the plaintiff's registered Trade Mark 'MOTHI LABEL'. Since towels are purchased by all sections of the society, an ordinary person cannot make out the difference between the plaintiff's and the defendants' label and the defendants have imitated the plaintiff's label with a view to pass off and enable others to pass off, the defendant's towels as and for the plaintiff's high quality towels.

7. The defendants by selling spurious substandard towels were committing fraud on the trade and the public. The defendants' wrongful activities have caused confusion and deception and therefore, an ordinary purchaser cannot make out the difference between the plaintiff's and defendants' labels. Therefore, the plaintiff had suffered irreparable loss and damage to their reputation and goodwill. The plaintiff had also

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suffered substantial loss in their sale in view of the defendants wrongful activities. In such circumstances, the defendants would be liable to pay substantial damages to the plaintiff. Further, the defendants ought to deliver all the materials bearing the trade mark 'Moti Label' or any other mark similar to the plaintiff's trade mark. The defendant should also destroy all the towels , labels , cartons, dyes, blocks, screen, prints or any other materials bearing similarity to the trade mark and artistic work used by the plaintiff, since the plaintiff's trade mark 'Mothi Label' is registered under No.454606 in clause 24 in Chennai, and since the plaintiff carries on business at Chennai, this Court has the jurisdiction to entertain and try the suit in respect of infringement of the plaintiff's trade mark. Thus, under Section 62(2) of the Copyright Act, and Section 134 (2) of the Trade Marks Act, 1999, this Court has the jurisdiction to try the suit for Copyright, infringement, trade mark infringement and passing off. Therefore, the plaintiff had prayed that this Court may be pleased to grant a judgment and decree as mentioned earlier.

8. The present appeals O.S.A.No.35 of 2001, O.S.A.No.85 of 2001,O.S.A.No.86 of 2001, and O.S.A.No.143 of 2001 have been filed against the common order, dated 22.01.2001, passed by the learned single Judge of this Court in O.A.No.719 of 2000, O.A.No.720 of 2000, O.A.No.721 of 2000, O.A.No.4484 of 2000, respectively.

9. In the counter affidavit filed by the respondents in the Original Applications, it has been stated that the applicants had deliberately given a false address in Chennai and that they are not carrying on business in Chennai. Having fabricated facts and by giving false evidence, the applicants have obtained ex-parte orders. It was further stated that the first respondent was in the business of manufacturing and selling of powerloom towels since 13.02.1997 after obtaining Small Scale Industries Certificate. Initially, the factory was situated at Surampatti, Erode, and the towels which were manufactured were being marketed without any brand name. Later, the respondent had set up 40 power looms with 3 service points with a number of persons working in the factory. Since the end of the year, 1999, the respondent had adopted a common expression "Hira Moti" as the trade mark with the distinctive pictorial device and colour scheme. On 11.08.2000, an Advocate Commissioner was appointed by the Court to take inventory of all the articles and it was found that even though the plaintiff had claimed a turn over of rupees 3.5 crores, at Chennai, they were not having a telephone number existing in his name. The address given by the plaintiff was relating to a locked residential premises and the plaintiff had made a false statement that he was carrying on business at Chennai, to attract the provisions of the Trade Marks Act.

10. It was further stated by the respondent that the plaintiff had filed the case under Section 134 of the Act which has not come into force as it had not been notified by the government of India. Therefore, the plaintiff, if at all, can file only a suit for passing off in a place

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where the court has territorial jurisdiction. The defendants goods are not sold in the city of Chennai, and as such even the passing off action is not maintainable, since the plaintiff neither resides nor carries on business within the jurisdiction of this Court and hence they have no right to sue under Section 62 of the Copyright Act. Since Moti prefixes and suffixes are used in the course of textile trade, it is not the exclusive property of the plaintiff to complain and to pursue an action under passing off. Further, the plaintiff has never used the trade mark 'Mothi' in respect of handloom towels and napkins. Any ordinary purchaser on seeing both the labels will clearly know that both are different. There is no scope for any confusion in the minds of the purchasers. The word 'Mothi' is a common name and is widely used in the textile industry by various persons all over India. The allegations that they are selling inferior and substandard towels are false. The respondent had also stated that the applicant had no prima facie case and the balance of convenience is only in favour of the respondents and the leave granted to the plaintiffs is also liable to be revoked.

11. The learned single Judge had framed the following points for consideration:-

" 1) Whether the plaintiff firm have got prima facie case and the balance of convenience is in their favour?
2) Whether the leave already granted to the plaintiff is liable to be revoked?
3) Whether the report filed by the Commissioner, dated 02.11.2000, is liable to be set aside? "

12. While deciding the points which arose for consideration, the learned single judge has clearly found that there was no dispute that the applicant is a registered proprietor of the trade mark 'Mothi' towel in respect of handloom towels and napkins and the registration is also still valid and subsisting and they are manufacturing the handloom towels for a very long time and they are also the proprietor of artistic work Mothi towels label registered under the Copyrights Act and the sales turnover as well as expenses have also been shown. Therefore, by virtue of long extensive and continuous use, the applicant's had enjoyed great reputation and their trade mark is identified by trade and public. It was also shown that the plaintiff had filed suits against third parties in C.S.No.327 of 1987, C.S.No.601 and 602 of 1998 with regard to the infringement and their trade mark.

13. The learned single Judge has also found that though the spelling in 'Mothi' and 'Moti' are different, both the words are phonetically and visually appear to be same. Further, he had come to the conclusion that there is every possibility of an innocent purchaser being misled while buying the product. The applicant had registered the trade mark at Chennai, and even in respect of being a user the applicant is the prior user and the defendants are only recent users of the said trade mark. Therefore, under the said circumstances the applicant has a prima facie

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case and the respondents ought to be injuncted from using the trade mark. With regard to the jurisdiction, the learned Judge has stated that it has to be gone into at the time of trial since a number of issues have been raised in that regard. Further, he had stated that, when once the trade mark has been registered at Chennai and the Copyright has also been registered under the relevant provisions of law, prima facie, the applicant has got the necessary cause of action to proceed against the respondents. The learned single Judge has also placed reliance on the decision reported in S.P.S.Jayam & Co., Vs. Gopi Chemical Industries (1997 MLJ 286) wherein it was observed that in respect of a trade mark registered at the Madras Office, the situs of the property in the mark is at Madras. Even though the plaintiff's mark had been registered under the Trade Marks Act, 1940, at Bombay, by virtue of Section 136 (2) of the Trade and Merchandise Marks Act, 1958, it should be deemed to have been registered at Madras.

14. Based on the decided cases cited by the applicant and the documents placed before the Court, the learned single Judge had come to the conclusion that the applicant's trade mark was registered earlier in point of time and the applicant has been using the said trade mark as well as the artistic work only from the end of 1999 and a comparison of the same clearly indicates that there is every possibility for an unwary purchaser to be misled into buying one product as the product of the other and as a result of which there would be infringement of the applicant's registered trade mark and there would be a clear possibility of passing off the products of the respondents as that of the applicants. The learned single Judge has also relied on the report of the Advocate Commissioner in arriving at the above conclusion. The learned single Judge has further held that the applicant had already filed a suit against Moti textiles which had ultimately ended in a compromise. On a comparison of the labels of both sides produced, it is crystal clear that both are identical and similar and therefore, likely to cause deception in the minds of the ordinary public. Further, once the applicant had established a prima facie case and had also shown that the balance of convenience was in its favour the order of interim injunction granted earlier had to be made absolute. On such grounds, the learned single Judge allowed Original Application Nos.719 to 721 of 2000 and dismissed Application Nos.4484 and 5038 of 2000.

15. Learned Senior Counsel appearing for the appellants has contended that the label used by the present appellants is different from the label used by the respondent in the sense that the appellants are using the label 'MOTHI' and, therefore, the learned single Judge should not have passed the order of injunction. It has been further submitted by him that since the appellants have been using the label for a long period, the learned single Judge could have held that the balance of convenience is in favour of the appellants and at any rate there was no irreparable loss to the respondent, as compensation can be paid.

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16. While considering the question of injunction, the Court is required to find out the existence of a prima facie case. The Court is also required to find out whether irreparable loss would be caused to the party seeking interim injunction if injunction is refused and whether balance of convenience is with the applicant or not. While considering the question of prima facie case, the applicant is not required to prove his case to the hilt. In the present case, the learned single Judge has considered the materials on record and has come to a conclusion that there is a prima facie case in favour of the respondent. The conclusion of the learned single Judge regarding existence of a prima facie case and other related aspects cannot be said to be unreasonable warranting interference by the appellate court. In such discretionary matters, the appellate court is very slow to interfere with the order passed by the trial court, unless there is some apparent illegality or error in the order passed by the trial court.

17. On an analysis of the reasons given by the learned single Judge and based on the facts and circumstances of the case, we are of the view that the learned single Judge was correct, in arriving at the above mentioned conclusion, while passing the discretionary orders. Therefore, the interim orders granted earlier and made absolute need not be interfered with at this stage.

18. The suit was filed in the year 2000. Even though we are not interfering with the discretionary order passed by the learned single Judge, we feel that the suit is required to be disposed of at an early date. Therefore, we find it appropriate to direct the Registry of the High Court to list the Civil Suit 581 of 2000 for early hearing, preferably in the month of November,2006. It goes without saying that the suit shall be disposed of on its own merits in accordance with law, without being influenced by the observations made by the learned single Judge in the interim applications nor by the fact that the Division Bench has confirmed such order.

19. With the above directions, the O.S.A.s are dismissed.. No Costs. Consequently, the connected C.M.Ps are closed.

Sd/-
Asst. Registrar.

/true copy/

Sub Asst. Registrar.

ssm

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To
1) The Sub-Assistant Registrar,
Original Side, High Court,
Madras.
[with a direction to list the Civil Suit No.581/2000 for early hearing]

2) The Section Officer,
V.R.Section,
High Court,
Madras.
+ 1 CC To Mr. A.A.Mohan, Advocate SR NO.40968

O.S.A.Nos. 35,85,86,143 of 2001
and
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